

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In Re:	§	
	§	
SCOTIA DEVELOPMENT LLC, <i>et al.</i>,	§	Case No. 07-20027-C-11
	§	Jointly Administered
Debtors.	§	(Chapter No. 11)

**APPELLANTS' JOINT DESIGNATION OF ITEMS TO BE INCLUDED IN THE
RECORD AND STATEMENT OF ISSUES ON APPEAL OF THE (I) ORDER ON
EMERGENCY MOTION TO ENFORCE CONFIRMATION ORDER AND OTHER
MISCELLANEOUS RELIEF AND (II) STIPULATED ORDER
(Related Docket Nos. 3452, 3464, 3508, 3509, 3511, 3513)**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, The Bank of New York Mellon Trust Company, N.A., formerly The Bank of New York Trust Company, N.A., as Indenture Trustee for the Timber Notes; Scotia Redwood Foundation, Inc.; CSG Investments, Inc.; Angelo, Gordon & Co., L.P.; Aurelius Capital Management, L.P.; and Davidson Kempner Capital Management LLC; appellants in this appeal (collectively, the "Appellants") and creditors of Scotia Pacific Company LLC ("Scopac"), debtor in the above-captioned jointly administered chapter 11 bankruptcy case, hereby submit this Joint Designation Of Items To Be Included In The Record And Statement Of Issues On Appeal (the "Designation") in connection with the Bankruptcy Court's (i) Order On Emergency Motion To Enforce Confirmation Order And Other Miscellaneous Relief (the "***Enforcement Order***") and (ii) the "***Stipulated Order***" relating to the Emergency Motion For Contempt filed by Consolidated-Debtor The Pacific Lumber Company entered in the above-captioned case on July 28 and 29, 2008, respectively.

DESIGNATION OF RECORD

The Appellants respectfully designate the following items to be included in the appellate record pursuant to Bankruptcy Rule 8006:

PLEADINGS / DOCKET ENTRIES

Designation No.	Docket No.	Description¹
Appellant 1		Copy of Docket Sheet for Case No. 07-20027 as of August 18, 2008
Appellant 2	Dkt. 2919	Proposed Findings of Fact and Conclusions of Law (Filed By Marathon Structured Finance Fund LP, Mendocino Redwood Company, LLC, Official Unsecured Creditors' Committee).(Related document(s): <u>2774</u> Notice,, <u>2902</u> Amended Chapter 11 Plan, <u>2092</u> Motion to Appoint Trustee,) (Penn, John) (Entered: 05/16/2008)
Appellant 3	Dkt. 3088	Findings of Fact and Conclusions of Law Regarding (a) Confirmation of MRC/Marathon Plan (b) Denial of Confirmation of the Indenture Trustee Plan and (c) Denial of the Motion to Appoint a Chapter 11 Trustee Signed on 6/6/2008 (Related document(s): <u>2404</u> Amended Chapter 11 Plan, <u>2370</u> Amended Chapter 11 Plan, <u>2211</u> Chapter 11 Plan, <u>2206</u> Chapter 11 Plan, <u>2402</u> Amended Chapter 11 Plan, <u>2902</u> Amended Chapter 11 Plan, <u>2800</u> Amended Chapter 11 Plan, <u>2092</u> Motion to Appoint Trustee,) (jsil,) (Entered: 06/06/2008)
Appellant 4	Dkt. 3300	Amended Chapter 11 Plan Filed by Marathon Structured Finance Fund LP (Related document(s): <u>2206</u> Chapter 11 Plan) (Attachments: # <u>1</u> Appendix)(Penn, John) (Entered: 07/08/2008) “The MRC/Marathon Plan”
Appellant 5	Dkt. 3302	Judgment and Order (I) Confirming First Amended Joint Chapter 11 Plan of Reorganization for the Debtors, as Further Modified, with Technical Amendments, Proposed by Mendocino Redwood Company, LLC, Marathon Structured Finance Fund, LP and Official Committee of Unsecured Creditors, (II) Denying Confirmation of Indenture Trustee Plan, (III) Denying Motion to Appoint Chapter 11 Trustee Signed on 7/8/2008 (Related document(s): <u>2800</u> Amended Chapter 11 Plan) (Attachments: # <u>1</u> Continuation of Order# <u>2</u> First Amended Plan# <u>3</u> Appendix) (jsil,) (Entered: 07/08/2008)
Appellant 6	Dkt. 3304	Notice of Appeal to DISTRICT Court. (related document(s): <u>3302</u> Order Confirming Chapter 11 Plan,,). Fee Amount \$255. Appellant Designation due by 7/21/2008. (Attachments: # <u>1</u> Exhibit A-PART 1# <u>2</u> Exhibit A-PART 2# <u>3</u> Exhibit A-PART 3)(Bolton, Johnathan) (Entered: 07/09/2008)

¹ Items designated shall include all exhibits and submissions attached thereto.

Appellant 7	Dkt. 3305	Notice of Appeal to District Court. (related document(s):3302 Order Confirming Chapter 11 Plan,,). Fee Amount \$255. Appellant Designation due by 7/21/2008. (Attachments: # 1 Notice of Appeal (part 2))(Winston, Eric) (Entered: 07/09/2008)
Appellant 8	Dkt. 3308	Petition Requesting Direct Appeal to Circuit Court (Attachments: # 1 Proposed Order)(Bolton, Johnathan) (Entered: 07/09/2008)
Appellant 9	Dkt. 3311	Notice Joinder of Certain Noteholders in The Indenture Trustee's Emergency Request for Certification Pursuant to 28 U.S.C. section 158(d)(2) and Interim Rule 8001(f) of the Federal Rules of Bankruptcy Procedure. (Related document(s):3308 Petition Requesting Direct Appeal) Filed by Angelo, Gordon & Co, Aurelius Capital Management LP, Davidson Kempner Capital Management LLC (Winston, Eric) (Entered: 07/09/2008)
Appellant 10	Dkt. 3314	Notice of Appeal to District Court. (related document(s):3302 Order Confirming Chapter 11 Plan,,). Fee Amount \$255. Appellant Designation due by 7/21/2008. (Attachments: # 1 Exhibit A# 2 Exhibit A-1# 3 Exhibit A-2# 4 Exhibit A-3)(Schultz, Sarah) (Entered: 07/09/2008)
Appellant 11	Dkt. 3315	Notice of Appeal to District Court. (related document(s):3302 Order Confirming Chapter 11 Plan,,, 3088 Findings of Fact and Conclusions of Law,,). Fee Amount \$255. Appellant Designation due by 7/21/2008. (York, Aaron) (Entered: 07/09/2008)
Appellant 12	Dkt. 3317	Notice of Appeal to District Court. (related document(s):3302 Order Confirming Chapter 11 Plan,,). Fee Amount \$255. Appellant Designation due by 7/21/2008. (Attachments: # 1 Exhibit A# 2 Exhibit A-1# 3 Exhibit A-2# 4 Exhibit A-3)(Schultz, Sarah) (Entered: 07/09/2008)
Appellant 13	Dkt. 3321	Motion Joinder of CSG Investments, Inc. to the Indenture Trustee's Emergency Request for Certification Filed by Creditor CSG Investments, Inc. and Affiliates (Attachments: # 1 Exhibit service list) (Gibbs, Charles) (Entered: 07/09/2008)
Appellant 14	Dkt. 3322	Motion Joinder of Scotia Redwood Foundation, Inc. to the Indenture Trustee's Emergency Request for Certification Filed by Creditor Scotia Redwood Foundation Inc. (Attachments: # 1 Exhibit service list# 2 Exhibit service list) (Gibbs, Charles) Modified on 7/10/2008 (kettac,). Attachment 2 Exhibit service list is an incorrect document per attorney. (Entered: 07/09/2008)
Appellant 15	Dkt. 3324	Notice Scotia Pacific Company LLC's Joinder in the Indenture Trustee's Emergency Request for Certification Pursuant to 28 U.S.C. 158(d)(2) and Interim Rule 8001(f) of The Federal Rules of Bankruptcy Procedure. (Related document(s):3308 Petition Requesting Direct Appeal) Filed by Scotia Pacific Company LLC (York, Aaron) (Entered: 07/09/2008)
Appellant 16	Dkt. 3329	Petition Requesting Direct Appeal to Circuit Court (<i>with Exhibit A</i>) (Attachments: # 1 Exhibit A-Part 1# 2 Exhibit A-Part 2# 3 Exhibit A-Part 3)(Bolton, Johnathan) (Entered: 07/10/2008)

Appellant 17	Dkt. 3381	Findings of Fact and Conclusions of Law On The Emergency Motion Of The Indenture Trustee For Stay Pending Appeal and The Petition For Direct Appeal To The Fifth Circuit of Appeals Signed on 7/15/2008 (Related document(s):3308 Petition Requesting Direct Appeal, 3319 Generic Motion, 3309 Motion To Stay Pending Appeal, 3322 Generic Motion,, 3321 Generic Motion, 3323 Generic Motion) (gjon,) (Entered: 07/15/2008)
Appellant 18	Dkt. 3382	Order Granting Petition For Direct Appeal To The Fifth Circuit Court of Appeals Signed on 7/15/2008 (Related document(s):3329 Petition Requesting Direct Appeal) (gjon,) (Entered: 07/15/2008)
Appellant 19	Dkt. 3383	Order Denying Emergency Motion Of The Indenture Trustee For Stay Pending Appeal. The Confirmation Order is stayed for ten days, until July 25, 2008, to allow the Indenture Trustee to seek further relief from the Fifth Circuit Court of Appeals (Related Doc # 3309) Signed on 7/15/2008. (gjon,) (Entered: 07/15/2008)
Appellant 20	Dkt. 3442	Motion to Compel EMERGENCY MOTION FOR ORDER TO ENFORCE CONFIRMATION ORDER AND OTHER MISCELLANEOUS RELIEF Filed by Creditors Marathon Structured Finance Fund LP, Mendocino Redwood Company, LLC, Consolidated-Debtor The Pacific Lumber Company Hearing scheduled for 7/25/2008 at 09:30 AM at Houston, Courtroom 400 (WWS). (Attachments: # 1 Exhibit) (Holzer, Nathaniel) (Entered: 07/24/2008)
Appellant 21	Dkt. 3445	Response (related document(s):3442 Motion to Compel,). Filed by Bank of New York Trust Company, N. A. (Greendyke, William) (Entered: 07/25/2008)
Appellant 22	Dkt. 3452	Order on Emergency Motion to Enforce Confirmation Order and Other Miscellaneous Relief. (Related Doc # 3442) Signed on 7/28/2008. (jsil,) (Entered: 07/28/2008) “The Enforcement Order”
Appellant 23	Dkt. 3460	Motion to Compel Filed by Consolidated-Debtor The Pacific Lumber Company Hearing scheduled for 7/29/2008 at 02:00 PM at Corpus Christi, 1133 N Shoreline. (Attachments: # 1 Exhibit # 2 Exhibit # 3 Exhibit # 4 Proposed Order # 5 Proposed Order) (Holzer, Nathaniel) (Entered: 07/29/2008)
Appellant 24	Dkt. 3461	Order Setting Hearing Signed on 7/29/2008 (Related document(s):3457 Motion to Compel, , Motion for Contempt,) Hearing scheduled for 7/29/2008 at 02:00 PM at Corpus Christi, 1133 N Shoreline. (jsil,) (Entered: 07/29/2008)
Appellant 25	Dkt. 3464	Stipulated Order Signed on 7/29/2008 (Related document(s):3460 Motion to Compel, et al) (jsil,) (Entered: 07/29/2008) “The Stipulated Order”
Appellant 26	Dkt. 3473	Notice of (I) Entry of Order Confirming MRC/Marathon Plan; (II) Occurrence of Effective Date of MRC/Marathon Plan; (III) Bar Date for Filing Rejection Damage Claims; (IV) Deadline for Filing Requests for Payment of Administrative Expense Claims;

		and (V) Deadline for Professionals to File Fee Applications. (Related document(s): <u>3302</u> Order Confirming Chapter 11 Plan,,) Filed by Marathon Structured Finance Fund LP, Mendocino Redwood Company, LLC, Official Unsecured Creditors' Committee (Penn, John) (Entered: 07/30/2008)
Appellant 27	Dkt. 3476	Notice of Indenture Trustee's Limited Objection and Reservation of Rights Regarding Notice of Effective Date. (Related document(s): <u>3473</u> Notice,,) Filed by The Bank of New York Trust Company, N.A. (Black, Robert) (Entered: 07/30/2008)
Appellant 28	Dkt. 3488	Fifth Circuit Court Of Appeals Letter advising enclosed is a copy of the court's order granting the application for leave to appeal. All future inquiries should refer to Docket No. 08-40746. Appellant should immediately pay the appropriate fees to the bankruptcy court clerk and notify us of the payment within ten days from the date of this letter. Bankruptcy court to send the certified record immediately. Counsel desiring to appear in this case must sign and return a "Form for Appearance of Counsel". (USCA No. 08-40746) (gcha,) (Entered: 08/01/2008)
Appellant 29	Dkt. 3489	Petition Granting Permission To Appeal From The United States District Court For The Southern District Of Texas Corpus Christi Signed on 7/31/2008 (Related document(s): <u>3314</u> Notice of Appeal,, <u>3317</u> Notice of Appeal,, <u>3316</u> Notice of Appeal, <u>3315</u> Notice of Appeal, <u>3304</u> Notice of Appeal,, <u>3313</u> Notice of Appeal, <u>3307</u> Notice of Appeal, <u>3306</u> Notice of Appeal, <u>3305</u> Notice of Appeal) (gcha,) (Entered: 08/01/2008)
Appellant 30	Dkt. 3490	Notice of Joinder of Noteholders CSG Investments Inc. and Scotia Redwood Foundation Inc. to the Indenture Trustee's Notice of Limited Objection and Reservation of Rights Regarding Notice of Effective Date. (Related document(s): <u>3476</u> Notice) Filed by CSG Investments, Inc. and Affiliates, Scotia Redwood Foundation Inc. (Gibbs, Charles) (Entered: 08/01/2008)
Appellant 31	Dkt. 3491	Notice <i>OF JOINDER OF CERTAIN NOTEHOLDERS IN THE INDENTURE TRUSTEE'S NOTICE OF LIMITED OBJECTION AND RESERVATION OF RIGHTS REGARDING NOTICE OF EFFECTIVE DATE.</i> (Related document(s): <u>3476</u> Notice, <u>3473</u> Notice,,) Filed by Angelo, Gordon & Co, Aurelius Capital Management LP, Davidson Kempner Capital Management LLC (Winston, Eric) (Entered: 08/01/2008)
Appellant 32	Dkt. 3508	Notice of Appeal filed. (related document(s): <u>3452</u> Order on Motion to Compel, <u>3464</u> Generic Order). Fee Amount \$255. Appellant Designation due by 8/18/2008. (Attachments: # 1 Exhibit A# 2 Exhibit B)(Greendyke, William) (Entered: 08/07/2008)
Appellant 33	Dkt. 3509	Notice of Appeal filed. (related document(s): <u>3452</u> Order on Motion to Compel, <u>3464</u> Generic Order). Fee Amount \$255. Appellant Designation due by 8/18/2008. (Winston, Eric) (Entered: 08/07/2008)

Appellant 34	Dkt. 3510	Motion for Leave to Appeal. Filed by Creditor Bank of New York Trust Company, N. A. (Attachments: # 1 Proposed Order # 2 Appendix A# 3 Appendix B# 4 Appendix C# 5 Appendix D.1# 6 Appendix D.2# 7 Appendix D.3# 8 Appendix D.4# 9 Appendix D.5# 10 Appendix D.6# 11 Appendix D.7# 12 Appendix D.8# 13 Appendix D.9# 14 Appendix D.10# 15 Appendix D.11# 16 Appendix D.12# 17 Appendix D.13# 18 Appendix E# 19 Appendix F.1# 20 Appendix F.2# 21 Appendix G# 22 Appendix H# 23 Appendix I.1# 24 Appendix I.2# 25 Appendix J# 26 Appendix K# 27 Appendix L# 28 Appendix M# 29 Appendix N# 30 Appendix O.1# 31 Appendix O.2# 32 Appendix P# 33 Appendix Q# 34 Appendix R.1# 35 Appendix R.2# 36 Appendix R.3# 37 Appendix R.4# 38 Appendix S# 39 Appendix T# 40 Appendix U# 41 Appendix V.1# 42 Appendix V.2# 43 Appendix X# 44 Appendix Y.1# 45 Appendix Y.2# 46 Appendix Z.1# 47 Appendix Z.2# 48 Appendix Z.3# 49 Appendix Z.4# 50 Appendix Z.5# 51 Appendix Z.6# 52 Appendix AA# 53 Appendix BB) (Greendyke, William) (Entered: 08/07/2008)
Appellant 35	Dkt. 3511	Notice of Appeal filed. (related document(s):3464 Generic Order). Fee Amount \$255. Appellant Designation due by 8/18/2008. (Gibbs, Charles) (Entered: 08/07/2008)
Appellant 36	Dkt. 3513	Notice of Appeal filed. (related document(s):3452 Order on Motion to Compel). Fee Amount \$255. Appellant Designation due by 8/18/2008. (Gibbs, Charles) (Entered: 08/07/2008)
Appellant 37	Dkt. 3516	Statement Joinder (Filed By Angelo, Gordon & Co, Aurelius Capital Management LP, Davidson Kempner Capital Management LLC).(Related document(s):3510 Motion for Leave to Appeal,,,) (Winston, Eric) (Entered: 08/07/2008)
Appellant 38	Dkt. 3517	Motion for Leave to Appeal. Filed by Creditors CSG Investments, Inc. and Affiliates, Scotia Redwood Foundation Inc. (Attachments: # 1 Exhibit 1# 2 Exhibit 2# 3 Exhibit 3# 4 Exhibit 4# 5 Service List# 6 Proposed Order) (Gibbs, Charles) (Entered: 08/07/2008)

HEARING TRANSCRIPTS

Designation No.	Docket No. / Exhibit No.	Description
Appellant 39		Transcript of July 25, 2008 Hearing
Appellant 40		Transcript of July 29, 2008 Hearing

ISSUES ON APPEAL

Appellants, pursuant to Bankruptcy Rule 8006, designate the following issues for their appeal of the Enforcement Order and Stipulated Order:

- Issue No. One** Did the Bankruptcy Court lack jurisdiction to modify the Confirmation Order and the MRC/Marathon Plan because of the pending appeal of its Confirmation Order?
- Issue No. Two** Did the Bankruptcy Court err by holding in the Enforcement Order that the Confirmation Order modified the definition of “Final Order” in the MRC/Marathon Plan to permit the occurrence of the Effective Date, even though no modification to that defined term was ever proposed by the Plan Proponents or approved by the Bankruptcy Court prior to the appeal of the Confirmation Order?
- Issue No. Three** Did the Bankruptcy Court err by holding in the Enforcement Order, despite (a) the pendency of an appeal of the confirmation of the MRC/Marathon Plan and (b) the plain language of the MRC/Marathon Plan to the contrary, that the Confirmation Order was a “Final Order” as defined in the MRC/Marathon Plan and, thus, the Effective Date could occur?
- Issue No. Four** Did the Bankruptcy court err by relying in the Enforcement Order on extrinsic evidence, including what the Court and the Plan Proponents “thought . . . when they confirmed this plan,” to interpret the MRC/Marathon Plan in a manner contrary to the plain language of the MRC/Marathon Plan.
- Issue No. Five** Did the Bankruptcy Court err by entering the Stipulated Order on a contempt motion predicated upon the erroneous and coercive findings and conclusions rendered by the court in its Enforcement Order.
- Issue No. Six** Did the Bankruptcy Court lack jurisdiction to enter the Enforcement Order and the Stipulated Order?

RESERVATION OF RIGHTS

The Appellants expressly reserve, and do not waive, their right to supplement this Designation and/or to object, or otherwise supplement or move to strike or modify, some or all of the Appellees’ Designations. This filing is made expressly subject to, and without waiver of any and all rights, remedies, challenges and objections.

Dated: August 18, 2008
Houston, Texas

Respectfully submitted,

STUTMAN, TREISTER & GLATT P.C.

FULBRIGHT & JAWORSKI L.L.P.

By: /s/ Eric D. Winston
Isaac M. Pachulski (Cal. State Bar No. 62337)
Jeffrey H. Davidson (Cal. State Bar No. 73980)
Eric D. Winston (Cal. State Bar No. 202407)
1901 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
Telephone (310) 228-5600
Facsimile (310) 228-5788

**Counsel for Angelo, Gordon & Co., L.P.,
Aurelius Capital Management, L.P., and
Davidson Kempner Capital Management
LLC**

**AKIN GUMP STRAUSS HAUER & FELD
LLP**

By: /s/ Charles R. Gibbs
Charles R. Gibbs (Tex. State Bar #07846300)
David F. Staber (Tex. State Bar #18986950)
J. Carl Cecere (Tex. State Bar #24050397)
1700 Pacific Avenue, Suite 4100
Dallas, TX 75201
Telephone: (214) 969-2800
Facsimile: (214) 969-4343

-and-

Murry B. Cohen (Tex. State Bar #04508500)
1111 Louisiana, 44th Floor
Houston, TX 77002
Telephone: (713) 220-5800
Facsimile: (713) 236-0822
**Attorneys for CSG Investments, Inc. and
Scotia Redwood Foundation, Inc.**

By: /s/ R. Andrew Black
Zack A. Clement (SBTX 04361550)
William Greendyke (SBTX 08390450)
R. Andrew Black (SBTX 02375110)
Jason L. Boland (SBTX 24040542)
Mark A. Worden (SBTX 24042194)
Fulbright Tower
1301 McKinney, Suite 5100
Houston, TX 77010-3095
Telephone: (713) 651-5151
Facsimile: (713) 651-5246

-and-

Toby L. Gerber (SBTX 07813700)
Louis R. Strubeck, Jr. (SBTX 12425600)
O. Rey Rodriguez (SBTX 00791557)
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201-2784
Telephone: (214) 855-8000
Facsimile: (214) 855-8200

**Counsel for The Bank of New York Mellon
Trust Company N.A., as Indenture Trustee
for the Timber Notes**